

## **PART VI**

### **RETIREMENT PLAN**

**The Retirement Plan provides participants with income at retirement. The Retirement Plan is provided at no cost to participants.**

#### **WHO IS ELIGIBLE FOR THE RETIREMENT PLAN?**

##### **Active Employees**

Each employee of Brookhaven Science Associates, LLC who was a participant in the AUI Retirement Plan on February 28, 1998 will become a participant in this plan on March 1, 1998.

In addition, all employees who work at least 1,000 hours per year are eligible for the Retirement Plan. If you are eligible to participate, coverage will be effective as of the earlier of (a) age 21 and the completion of 2 years of Continuous Service or (b) age 30 and the completion of 3 months of Continuous Service. Employees who work on a part-time, temporary or irregular basis must complete 1,000 hours of service each year to be credited with a year of service.

Service shall include Continuous Service, if any, with Associated Universities, Inc., Battelle Memorial Institute, Research Foundation of the State University of New York, or the State University of New York at Stony Brook immediately prior to a transfer of employment to Brookhaven Science Associates, LLC. Individuals with guest or visitor appointments, research associates, research fellows and student assistants are not eligible to participate.

#### **ENROLLMENT**

Eligible employees must enroll for the Retirement Plan when first eligible. To enroll, you must complete enrollment forms which are available through the Human Resources Division. By completing the forms, you will authorize the funds in which Retirement Plan contributions will be invested.

#### **RETIREMENT PLAN COVERAGE**

##### **Benefits Provided**

An amount equal to 10% of a participant's Base Salary will be contributed to this plan. Federal laws and regulations may limit contributions to this

plan. For example, currently, no more than \$160,000 of a participant's Base Salary may be used for determining contributions to the plan during the calendar year.

In addition, for each former employee of Brookhaven National Laboratory who was a participant in the AUI Retirement Plan on February 28, 1998, the participant's 401(a) accumulation in that plan will be transferred to this plan as of March 1, 1998 or as soon as practicable.

Participants are not required or allowed to contribute to this plan.

## **Plan Investments**

There are more than 20 approved funds in which a participant can allocate the investment of contributions. These funds are through TIAA-CREF, Fidelity Investment Services, and the Vanguard Group. A list of approved funds is available through the Human Resources Division.

## **Allocating Contributions**

When a participant first enrolls in the plan, he or she will complete a form indicating how to allocate plan contributions. The allocation can be changed at any time. If a participant wants to change the allocation within an investment company, he or she must contact the investment company directly. If the participant wants to change investment companies or the allocation between companies, he or she must complete an allocation form available in the Human Resources Division.

## **Designating a Beneficiary**

When a participant enrolls in the plan, he or she will indicate one or more beneficiaries on the enrollment forms. For married participants, the spouse must be the beneficiary for at least 50% of the accumulation unless the spouse consents to the designation of someone else. In the event of a participant's death, retirement benefits will be paid to the designated beneficiary(ies). A beneficiary designation may be changed at any time, prior to beginning retirement benefits, by contacting the Human Resources Division or the investment companies directly.

## **Transferring Between Funds**

Participants are permitted to transfer accumulations between funds and investment companies. To transfer accumulations within an investment company, the participant must contact the investment company directly. To transfer accumulations from one investment company to another, forms are available in the Human Resources Division.

Limitations apply when transferring accumulations out of TIAA. Transfers can only be made over a ten-year period, where the amount to be transferred must first be moved to a TIAA transfer payout annuity.

## **Vesting**

Vesting is the process by which a participant earns the right to the value of the contributions in his or her account. Under the Retirement Plan, participants are immediately vested in the plan benefits.

## **Loans**

Loans are not permitted nor provided for under this plan.

## **Withdrawals**

Withdrawals are not permitted from this plan while a participant is eligible for contributions to be made to his or her account. See the RETIREMENT OPTIONS and REPURCHASE OF BENEFITS sections for information on withdrawals and the receipt of retirement income after termination of employment or ineligibility for contributions.

## **Statements**

Participants will receive quarterly account statements from each of the investment companies in which they have invested plan contributions. The statements will indicate the amount of accumulations in each of the funds in which the participant has invested.

## **RETIREMENT OPTIONS**

If a participant has terminated employment or is no longer eligible for plan contributions, he or she may begin receiving retirement benefits. Participants have the benefit options indicated below for the payment of benefits. Payment of retirement benefits, other than the Cash Withdrawal option, must be made through TIAA-CREF. This means that in order to establish payment of benefits, the participant must transfer accumulations, if any, in Fidelity Investment Services, and the Vanguard Group to TIAA-CREF before benefit payments can begin. Other than for the purpose of the Cash Withdrawal and Retirement Transition Benefit options indicated below, retirement benefits will be provided in the form of an annuity. An annuity, for the purpose of this plan, is a series of regular payments.

To apply for benefits, contact TIAA-CREF and the Human Resources Division.

## **Cash Withdrawal**

If a participant has terminated employment and is age 55 or older, he or she may request to receive up to 100% of his or her total accumulation in the Retirement Plan through cash withdrawals. Cash withdrawals are permitted from TIAA, however, limitations apply. Based on federal law, participants who request a cash withdrawal must provide their spouse's written consent for such withdrawal.

## Retirement Transition Benefit

When a participant begins the process to establish a retirement annuity, he or she may request that 10% of his or her total accumulation be provided as a single sum payment. This is called a retirement transition benefit. Based on federal law, participants who request a retirement transition benefit must provide their spouse's written consent for such benefit.

## One-Life Annuity Option

The most basic annuity form is the one-life annuity. It pays income to the participant for his or her lifetime, and the income ceases at death. A participant may elect a guaranteed period of either 10, 15, or 20 years to be added to this option, but restrictions may apply. If the participant dies during the period, the designated beneficiary will continue to receive the full payments until the guaranteed period ends. Based on federal law, participants who request a one-life annuity option must provide their spouse's written consent for such benefit.

## Two-Life Annuity Option

A two-life annuity provides an income for life for two people. Neither the participant nor his or her designated second annuitant can outlive the income. The amount continuing to the survivor after the participant's death depends on the option selected. A participant may elect a guaranteed period of either 10, 15, or 20 years to be added to any of the two-life annuity options indicated below, but restrictions may apply. When a guaranteed period is added to a two-life annuity, the guarantee provides that the benefit will continue to a designated beneficiary until the end of such period if both the participant and the second annuitant die within the guaranteed period.

**A two-life annuity with full benefit to survivor** means that there is no benefit reduction after the death of either the participant or the second annuitant. If a guaranteed period is added to this option and both the participant and the second annuitant die during the period, the designated beneficiary will continue to receive the full benefit until the guaranteed period ends.

**A two-life annuity with half benefit to second annuitant** means that if the participant dies first, the benefit to the second annuitant will continue at half of the amount it would otherwise be. If the second annuitant dies first, the income to the participant does not change. If a guaranteed period is added to this option and both the participant and the second annuitant die during the period, the designated beneficiary will receive half of the benefit until the guaranteed period ends.

**A two-life annuity with two-thirds benefit to survivor** means that when either the participant or the second annuitant dies, the benefit is reduced to two-thirds of the amount it would otherwise be for the survivor. This is the only option where the benefit of the participant reduces if the

second annuitant dies first. If a guaranteed period is added to this option and both the participant and the second annuitant die during the period, the designated beneficiary will receive the two-thirds benefit until the guaranteed period ends.

### **Fixed Period Annuity Option**

For any accumulation that a participant has in CREF, he or she may elect the fixed period annuity option which provides retirement benefits over a number of years based on the participant's election. The number of years available for benefits is between 15 and 30 and depends on the participant's age. During that period, all of the participant's accumulation will be returned to him or her. When the fixed period is over, benefits cease. If a participant dies during the period, the designated beneficiary may elect to continue receiving the remainder of the benefit payments or a lump sum payment. Based on federal law, participants who request a fixed period annuity option must provide their spouse's written consent for such benefit.

### **Interest Payment Retirement Option (IPRO)**

For any accumulation that a participant has in TIAA, he or she may elect the IPRO which provides for payments consisting only of current interest on the TIAA accumulation. The minimum amount that may be designated for an IPRO is \$10,000. The accumulation remains unchanged during the period that the IPRO income is provided. This option is available to participants between ages 55 and approximately 69½. If a participant begins receiving benefits under this option before age 59½, federal early distribution penalties may apply. If a participant elects this option, it must eventually be converted to an annuity or MDO.

### **Minimum Distribution Option (MDO)**

For participants who have terminated employment, have not yet begun receiving retirement benefits, and who are age 70½, federal laws require that a minimum retirement distribution must begin by April 1 of the year after reaching age 70½. Under this option, payments are set at the minimum level required by law and can continue until (a) the total accumulation has been fully paid out to the participant or if he or she dies before payments are completed, to a designated beneficiary or (b) such time that the participant decides to begin an annuity payment option.

## **REPURCHASE OF BENEFITS**

Participants who have terminated employment before the fifth anniversary of becoming a participant will receive the balance of their total accumulation (if less than \$5,000) in a lump sum payment. A lump sum payment from TIAA-CREF will be based on the terms of such annuity contract.

If a participant repurchases benefits before age 59½, federal early distribution penalties may apply.

## **PRE-RETIREMENT DEATH BENEFITS**

If a participant dies before establishing an annuity option, the value of his or her total accumulation will be paid to the designated beneficiary. The beneficiary may elect to receive either a lump sum payment or one of the annuity options indicated above. The participant's spouse is automatically the beneficiary for 50% of the total accumulation unless the spouse has consented to a waiver of such benefit. The pre-retirement death benefit may be waived by the spouse beginning on the first day of the plan year during which the participant attains age 35 and ending on the earlier of (a) the date of the participant's death or (b) the date annuity benefits begin. A waiver may be revoked at any time during that period. A waiver is not available for participant's under age 35, unless the participant terminates employment.

## **QUESTIONS ABOUT THE PLAN**

Questions about the Retirement Plan may be directed to the Human Resources Division or the investment companies directly.

## **MISCELLANEOUS**

### **Base Salary**

Base Salary is the participant's Base Salary which is reflected on the participant's W-2 statement, before exercise of any salary reduction option. Overtime payments, shift premiums, termination payments, severance pay, and any other forms of compensation are not included in Base Salary. For union employees, Base Salary is based on the terms of the union contract.

### **Continuous Service**

Continuous Service means service from a participant's most recent hire date. Service performed prior to a break in employment is not included in Continuous Service. Continuous Service will be reduced by periods on an approved Leave of Absence.

### **Discontinuation of Contributions**

Contributions to a participant's accumulation will cease on the earlier of the date he or she terminates employment or is no longer eligible for coverage.

### **Leave of Absence**

Contributions will not be made to the Retirement Plan during an approved Leave of Absence.

## **Non-Alienation of Benefits**

Benefits under this plan may not be subject to alienation, encumbrance, the claims of creditors, or legal process. Benefits may not be transferred, assigned, or alienated. The plan will, however, comply with any judgment, decree, or order which established the rights of another person to all or a portion of a participant's benefits under this plan to the extent that it is a Qualified Domestic Relations Order under Internal Revenue Code section 414(p).

## **Participants Receiving Long Term Disability Benefits**

Contributions, if any, for participants who qualify for Long Term Disability (LTD) Plan benefits will be based on the terms of the LTD Plan.

## **Rehired Employees**

If a former employee is rehired, he or she is eligible to enroll in the plan as of the rehire date if he or she (a) is rehired as a regular employee and (b) previously satisfied the plan's eligibility requirements. Otherwise, the former employee must meet the plan's eligibility requirements before contributions will be made.

**PART VII**

---

**401(k) PLAN**



## **PART VII**

### **401(k) PLAN**

**The 401(k) Plan provides participants with the opportunity to supplement income at retirement. Enrollment in the 401(k) Plan is optional.**

#### **WHO IS ELIGIBLE FOR THE 401(k) PLAN?**

##### **Active Employees**

Each employee of Brookhaven Science Associates, LLC who was a participant in the AUI Supplemental Retirement Annuity Plan on February 28, 1998 is eligible to participate in this plan on March 1, 1998.

In addition, all full-time employees are eligible to participate in the 401(k) Plan on March 1, 1998 or the first day of active employment, if later. Employees who work on a part-time, temporary or irregular basis may participate on the earlier of January 1 or July 1 following completion of 1,000 hours of service during the 12 consecutive calendar month period beginning with the first day of active employment.

Service shall include Continuous Service, if any, with Associated Universities, Inc., Battelle Memorial Institute, Research Foundation of the State University of New York or the State University of New York at Stony Brook immediately prior to a transfer of employment to Brookhaven Science Associates, LLC. Individuals with guest or visitor appointments are not eligible to participate.

#### **ENROLLMENT**

To enroll, you must complete enrollment forms which are available through the Human Resources Division. By completing the forms, you will authorize contributions, as a percent of Base Salary, from your paycheck and the funds in which 401(k) Plan contributions will be invested.

#### **401(k) PLAN COVERAGE**

##### **Benefits Provided**

Participants may make contributions to the plan through regular payroll reductions. Contributions are drawn from a participant's salary before taxes

are calculated. This reduces taxable income, so a participant pays less in taxes now. This arrangement is called “salary reduction”. Income on contributions is tax-deferred until withdrawn in the future.

The maximum contribution a participant can make to the plan is 15% of Base Salary. Federal laws and regulations may further limit a participant’s ability to contribute to this plan. For example, currently, no more than \$160,000 of a participant’s Base Salary may be used for contributions during a calendar year. Also, the maximum dollar amount a participant may currently contribute during a calendar year is the lesser of:

- \$10,000 or
- 15% of Base Salary.

These limits are subject to change based on changes in the laws.

## **Plan Investments**

There are more than 20 approved funds in which a participant can allocate the investment of his or her contributions. These funds are through TIAA-CREF, Fidelity Investment Services and the Vanguard Group. A list of approved funds is available through the Human Resources Division.

## **Allocating Contributions**

When a participant first enrolls in the plan, he or she will complete a form indicating how to allocate plan contributions. The allocation can be changed at any time. If a participant wants to change the allocation within an investment company, he or she must contact the investment company directly. If the participant wants to change investment companies or the allocation between companies, he or she must complete an allocation form available in the Human Resources Division.

## **Designating a Beneficiary**

When a participant enrolls in the plan, he or she will indicate one or more beneficiaries on the enrollment forms. For married participants, the spouse must be the beneficiary for at least 50% of the accumulation unless the spouse consents to the designation of someone else. In the event of a participant’s death, retirement benefits will be paid to the designated beneficiary(ies). A beneficiary designation may be changed at any time, prior to beginning retirement benefits, by contacting the investment companies directly or the Human Resources Division.

## **Changing the Amount Being Contributed**

A participant may change the percentage he or she is contributing to this plan once each calendar month. This includes a change from no contributions to starting contributions and vice versa. A participant can, however, cease contributions at any time. To make a change to the amount being contributed,

a participant must complete a form available in the Human Resources Division.

## **Transferring Between Funds**

Participants are permitted to transfer accumulations between funds and investment companies. To transfer accumulations within an investment company, the participant must contact the investment company directly. To transfer accumulations from one investment company to another, forms are available by contacting the investment companies directly or the Human Resources Division.

## **Rollover Contributions**

A participant may make a rollover contribution to this plan upon demonstrating to the Plan Administrator that the contribution is eligible for transfer to this plan. Transfers from a plan other than a plan which meets the requirements of Internal Revenue Code section 401(a) and 403(a) are not eligible.

## **Vesting**

Vesting is the process by which a participant earns the right to the value of the contributions in his or her account. Under the 401(k) Plan, participants are immediately vested in the plan benefits.

## **Loans**

Loans are permitted from a participant's TIAA-CREF accumulation in this plan. When a participant begins a loan, a portion of his or her accumulation will be set aside as security for the loan but will continue to earn income while the loan is being repaid.

The minimum loan amount available is \$1,000. The maximum amount is the least of the following:

- \$50,000 or
- 45% of the participant's TIAA-CREF accumulation or
- 90% of the participant's TIAA accumulation.

If a participant has plan accumulations in CREF, Fidelity or Vanguard, he or she may transfer all or part of the accumulation to TIAA to increase the available loan amount.

A participant may have more than one outstanding loan. If a participant applies for a second loan, the amount available may be effected by the outstanding loan.

Loan repayments may be made over a period of one to five years with payments due every quarter. A ten year repayment option is available if the loan is being used to purchase a principal residence.

Participants who want to pursue a loan must contact TIAA-CREF directly for a loan application and additional information on loan provisions including the interest rate, billing, and default.

## **Withdrawals**

Withdrawals are permitted from this plan if any of the following events occur:

- The participant retires, dies, becomes disabled, or terminates employment or
- The participant attains age 59½ or
- The participant incurs a financial hardship.

For a participant to incur a financial hardship, the participant must have an immediate and heavy financial need that meets one of the following hardship criteria.

- Purchase of the participant's principal residence.
- Prevention of foreclosure on or eviction from the participant's principal residence.
- Payment of medical expenses which are not reimbursed through insurance for the participant or his or her spouse or dependents.
- Payment of tuition, related educational expenses, and/or room and board for post-secondary education for the participant or his or her spouse or dependents for the next twelve months.
- Payment of funeral expenses for a member of the participant's family.

A withdrawal for hardship reasons is only available if the financial need cannot be reasonably relieved through other sources.

The hardship withdrawal cannot exceed the amount required to satisfy the immediate hardship and may only include the participant's plan contributions, not income earned. A participant who receives a withdrawal for hardship reasons will be required to discontinue plan contributions for one year. To apply for a hardship withdrawal, participants must contact the Fiscal Officer.

In addition, a withdrawal of rollover contributions may be made at any time. If a participant withdraws rollover contributions before age 59½, federal early distribution penalties may apply.

For information on withdrawals, other than for financial hardship, and the receipt of retirement income see the RETIREMENT OPTIONS section.

## **Statements**

Participants will receive quarterly account statements from each of the investment companies in which they have invested plan contributions. The

statements will indicate the amount of accumulations in each of the funds in which the participant has invested.

## **RETIREMENT OPTIONS**

If a participant retires, becomes disabled and receives Long Term Disability Plan benefits for at least 24 months, terminates employment, or attains age 59½, he or she may begin receiving retirement benefits. Retirement benefits may be provided as cash, an annuity or any combination of these. Other options may also be available through each of the investment companies. Additional information on the options is provided below.

Payment of retirement benefits in the form of an annuity is currently available through TIAA-CREF. This means that in order to establish an annuity payment with TIAA-CREF, the participant must transfer accumulations, if any, in Fidelity Investment Services and/or the Vanguard Group to TIAA-CREF before benefit payments can begin. An annuity, for the purpose of this plan, is a series of regular payments.

### **Cash Withdrawal**

A participant may elect, as a retirement benefit, a cash withdrawal of up to 100% of his or her total accumulation in the 401(k) Plan. Based on federal law, participants who request a cash withdrawal must provide their spouse's written consent for such withdrawal.

### **One-Life Annuity Option**

The most basic annuity form is the one-life annuity. It pays income to the participant for his or her lifetime, and the income ceases at death. A participant may elect a guaranteed period of either 10, 15, or 20 years to be added to this option, but restrictions may apply. If the participant dies during the period, the designated beneficiary will continue to receive the full payments until the guaranteed period ends. Based on federal law, participants who request a one-life annuity option must provide their spouse's written consent for such benefit.

### **Two-Life Annuity Option**

A two-life annuity provides an income for life for two people. Neither the participant nor his or her designated second annuitant can outlive the income. The amount continuing to the survivor after the participant's death depends on the option selected. A participant may elect a guaranteed period of either 10, 15, or 20 years to be added to any of the two-life annuity options indicated below, but restrictions may apply. When a guaranteed period is added to a two-life annuity, the guarantee provides that the benefit will continue to a designated beneficiary until the end of such period if both the participant and the second annuitant die within the guaranteed period.

**A two-life annuity with full benefit to survivor** means that there is no benefit reduction after the death of either the participant or the second annuitant. If a guaranteed period is added to this option and both the participant and the second annuitant die during the period, the designated beneficiary will continue to receive the full benefit until the guaranteed period ends.

**A two-life annuity with half benefit to second annuitant** means that if the participant dies first, the benefit to the second annuitant will continue at half of the amount it would otherwise be. If the second annuitant dies first, the income to the participant does not change. If a guaranteed period is added to this option and both the participant and the second annuitant die during the period, the designated beneficiary will receive half of the benefit until the guaranteed period ends.

**A two-life annuity with two-thirds benefit to survivor** means that when either the participant or the second annuitant dies, the benefit is reduced to two-thirds of the amount it would otherwise be for the survivor. This is the only option where the benefit of the participant reduces if the second annuitant dies first. If a guaranteed period is added to this option and both the participant and the second annuitant die during the period, the designated beneficiary will receive the two-thirds benefit until the guaranteed period ends.

## Fixed Period Annuity Option

For any accumulation that a participant has in TIAA-CREF, he or she may elect the fixed period annuity option which provides retirement benefits over a number of years based on the participant's election. The number of years available for benefits is between 2 and 30 and depends on the participant's age. During that period, all of the participant's accumulation will be returned to him or her. When the fixed period is over, benefits cease. If a participant dies during the period, the designated beneficiary may elect to continue receiving the remainder of the benefit payments or a lump sum payment. Based on federal law, participants who request a fixed period annuity option must provide their spouse's written consent for such benefit.

## Minimum Distribution Option

For participants who have terminated employment, have not yet begun receiving retirement benefits, and who are age 70½, federal laws require that a minimum retirement distribution must begin by April 1 of the year after reaching age 70½. Under this option, payments are set at the minimum level required by law and can continue until (a) the total accumulation has been fully paid out to the participant or if he or she dies before payments are completed, to a designated beneficiary or (b) such time that the participant decides to begin an annuity payment option.

## **REPURCHASE OF BENEFITS**

Participants who have terminated employment before the fifth anniversary of becoming a participant will receive the balance of their total accumulation (if less than \$5,000) in a lump sum payment. A lump sum payment from TIAA-CREF will be based on the terms of such annuity contract.

If a participant repurchases benefits before age 59½, federal early distribution penalties may apply.

## **PRE-RETIREMENT DEATH BENEFITS**

If a participant dies before establishing an annuity option, the value of his or her total accumulation will be paid to the designated beneficiary. The beneficiary may elect to receive either a lump sum payment or one of the annuity options indicated above. The participant's spouse is automatically the beneficiary for 50% of the total accumulation unless the spouse has consented to a waiver of such benefit. The pre-retirement death benefit may be waived by the spouse beginning on the first day of the plan year during which the participant attains age 35 and ending on the earlier of (a) the date of the participant's death or (b) the date annuity benefits begin. A waiver may be revoked at any time during that period. A waiver is not available for participant's under age 35, unless the participant terminates employment.

## **QUESTIONS ABOUT THE PLAN**

Questions about the 401(k) Plan may be directed to the Human Resources Division or the investment companies directly.

## **MISCELLANEOUS**

### **Base Salary**

Base Salary is the participant's Base Salary which is reflected on the participant's W-2 statement, before exercise of any salary reduction option. Vacation pay and severance pay at termination of employment are included in Base Salary. Overtime payments, shift premiums, termination payments, and any other forms of compensation are not included in Base Salary. For union employees, Base Salary is based on the terms of the union contract.

### **Discontinuation of Contributions**

Contributions to a participant's accumulation will cease on the earlier of the date he or she (a) terminates employment, (b) begins receiving benefits under the Long Term Disability Plan, (c) elects to discontinue contributions, or (d) is no longer eligible for coverage.

## **Leave of Absence**

Contributions cannot be made to the 401(k) Plan during an approved Leave of Absence.

## **Non-Alienation of Benefits**

Benefits under this plan may not be subject to alienation, encumbrance, the claims of creditors, or legal process. Benefits may not be transferred, assigned, or alienated. The plan will, however, comply with any judgment, decree, or order which established the rights of another person to all or a portion of a participant's benefits under this plan to the extent that it is a Qualified Domestic Relations Order under Internal Revenue Code section 414(p).

## **Participants Receiving Long Term Disability Benefits**

Contributions to this plan cease when a participant qualifies for Long Term Disability Plan benefits.